

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2004-177-C - ORDER NO. 2004-440  
SEPTEMBER 24, 2004

IN RE: Application of Piedmont Rural Telephone        )  
Cooperative, Inc. for Approval of a                    )  
Depreciation Rate Change for Office                 )  
Equipment.    )

ORDER GRANTING  
CHANGE IN  
DEPRECIATION RATE

**I. INTRODUCTION**

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Piedmont Rural Telephone Cooperative, Inc. (Piedmont or the Coop.) for a depreciation rate change for office equipment. The rate currently prescribed by the Commission for such equipment is 4.5% (or 22.22 years). Piedmont asserts that a rate of 10% (or 10 years) would more closely approximate the life of future office equipment acquisitions, including but not limited to, copy machines, fax machines, calculators, and audio/visual equipment.

As per the instructions of the Commission's Executive Director, the Coop. published a Notice of its request one time in various newspapers of general circulation in Piedmont's service area. No Protests or Petitions to Intervene were received in the matter.

Piedmont states that, based on its 2003 annual report submitted to the Commission, it projects an annual increase in depreciation expense of approximately \$25,000. Piedmont states a belief that the increase would have a minimal effect on

Piedmont's overall rate of return, and also, that granting the request would not result in an increase in Piedmont's basic local service rates.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Piedmont Rural Telephone Cooperative, Inc. requests a depreciation rate change for office equipment. The requested change is from 4.5% (22.22 years) to 10% (10 years).

2. The 10% rate more closely approximates the life of future office equipment acquisitions, including but not limited to, copy machines, fax machines, calculators, and audio/visual equipment.

3. The projected annual increase in depreciation expense is approximately \$25,000.

4. Granting the request would not result in an increase in Piedmont's basic local service rates.

5. The requested change should be granted, since the 10% rate more closely approximates the life of future office equipment acquisitions.

## **III. ORDER**

The requested change in depreciation rate for office equipment from 4.5% (22.22 years) to 10% (10 years) is granted. This Order shall remain in full force and effect until

(SEAL)